

O-359-09

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2451740
BY NEWTON & RIDLEY BEER COMPANY LIMITED TO REGISTER THE
TRADE MARK "NEWTON & RIDLEY"
IN CLASS 32**

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 95644
BY ITV STUDIOS LIMITED**

TRADE MARKS ACT 1994

**IN THE MATTER OF application No. 2451740
By Newton & Ridley Beer Company Limited
To register the trade mark NEWTON & RIDLEY in Class 32**

and

**IN THE MATTER OF Opposition thereto under No. 95644
by ITV Studios Limited**

BACKGROUND

1) On 4 April 2007, Newton & Ridley Beer Company Limited (“N & R”), of 34 Duke Street North, Fulwell, Sunderland, SR6 9RD applied under the Trade Marks Act 1994 for registration of the trade mark NEWTON & RIDLEY in respect of the following goods in Class 32:

“Beer; ale; lager; stout and porter”

2) The application was published in the Trade Marks Journal on 10 August 2007 and on 12 November 2007, Granada Television Limited (“Granada”) filed notice of opposition to the application. Following assignment of the opponent’s earlier mark, Granada Television Limited was substituted as the opponent by its sister company and new proprietor of the earlier mark, ITV Studios Limited (“ITV”), of 200 Grays Inn Road, London, WC1X 6HF. The grounds of opposition are in summary:

- a) The application offends under Section 3(3) (a) and Section 3(4) of the Trade Marks Act 1994 (“the Act”) because it is a mark which should not be registered because it is contrary to public policy and because it is prohibited in the UK by an enactment or rule of law. Specifically, ITV claims that the widespread sale and manufacture of the goods listed in the application would have the effect of placing ITV or its sister companies in breach of Rule 10.4 of the Ofcom Broadcasting Code (“the Code”). This rule states that “[n]o undue prominence may be given in any programme to a product or service.”
- b) The application offends under Sections 5(2) (a) and 5(3) of the Act. ITV rely on the following earlier mark:

2053582 **NEWTON & RIDLEY**

Registration date: 7 November 1997

Class 16: Printed matter, newspapers, periodicals, books, instructional and teaching material (other than apparatus); none relating to finance, investment management or computers; playing cards; beer mats; wine coasters (of paper); pens and pencils.

c) The application offends under Section 5(4) (a) of the Act because its earlier sign NEWTON & RIDLEY has been used continuously in the television programme Coronation Street since the 1960s and because it has sold goods including beer, under the sign, in the late 1980s and 1990s.

3) The applicant subsequently filed a counterstatement denying the opponent's claims.

4) Only the opponent filed evidence in these proceedings and the matter came to be heard on 2 September 2009 when ITV was represented by Ms Louise Popple of Taylor Wessing LLP. N & R did not attend the hearing.

Opponent's Evidence

5) This is in the form of four witness statements. The first of these is by Jonathan Mark Sunderland, Senior Programme Lawyer for ITV Plc, the parent company of the proprietor at that time, Granada. Mr Sunderland explains that his role includes ensuring that programmes broadcast on ITV comply with the Code. He states that Ofcom is the independent regulator and competition authority for the UK communications industry and the Code sets out rules that television broadcasters must follow. If a broadcaster is found to be in breach of the Code, Ofcom will normally publish a finding and explain the breach and it also has the power to impose statutory sanctions, including making a direction to broadcast a statement of Ofcom's findings, financial penalties and revocation or shortening of a broadcaster's licence.

6) At Exhibit JMS1, Mr Sunderland provides a copy of an extract from the Code. The relevant part of this extract is part of Section 10 of the Code, entitled "Commercial References and Other Matters". The principles of this section are:

"To ensure that the independence of editorial control over programme content is maintained and that programmes are not distorted for commercial purposes.

To ensure that the advertising and programme elements of a service are kept clearly separated"

Further, Rule 10.4 of the Code, that appears under the heading “Products or Services in programmes” reads:

“No undue prominence may be given in any programme to a product or service

Note:

“Undue Prominence” may result from:

- The presence of, or reference to, a product or service (including company names, brand names, logos) in a programme where there is no editorial justification; or
- The manner in which a product or service (including company names, brand names, logos) appears or is referred to in a programme.”

7) Mr Sunderland reveals that ITV have sold a beer named “NEWTON & RIDLEY”, but has not done so since the introduction of the Code in 2005 as this could risk breaching Rule 10.4. This is because of the prominence given to the fictional brand of beer of the same name in the Coronation Street television series.

8) The second witness statement is by Holly Havers of Taylor Wessing LLP, representatives for the opponent in these proceedings. Ms Havers provides, at Exhibit HH6, results from an Internet search, conducted on 12 September 2008, using the Google search engine. The search was limited to hits from the UK and was for the term “Newton & Ridley”. Of the top thirty results, twenty three relate to the fictional beer/brewery that features in Coronation Street. Exhibit HH7 features copies of the pages relating to the hits in HH6. These include a “NEWTON & RIDLEY minibottle” for sale on the website www.pub-paraphernalia.co.uk. The title of the page is “Newton & Ridley (Coronation Street) from Pub Paraphernalia”. There is no indication regarding the trade origin of the bottle. There is also an extract from the website www.corrie.net which provides the fictional history of the Rovers Return that includes a number of references to the NEWTON & RIDLEY brewery. These references include the NEWTON & RIDLEY brewery buying back the tenancy of the Rovers Return pub in 1984, the brewery appointing the manager of the pub in 1987 and the brewery selling the pub in 1995. Others refer to the theft of a NEWTON & RIDLEY van that was featured in the programme and NEWTON & RIDLEY beer mats for sale on the online auction site, ebay. An extract from www.guardian.co.uk, bearing a copyright notice dating it to 2008, reports that ITV has announced a wish to launch a chain of Rovers Return theme pubs throughout the UK that would sell NEWTON & RIDLEY beer. Other web sites are also included providing similar

mentions of NEWTON & RIDLEY beer and its link to the television programme Coronation Street.

9) At Exhibit HH8, Ms Havers provides extracts from the Wikipedia user generated online encyclopaedia. These extracts identify NEWTON & RIDLEY as being the fictional brewery and name of an ale produced by that brewery, that both feature in Coronation Street.

10) Finally, Ms Havers also provides extracts from websites of companies that manufacture and sell beer mats in the UK. These are presented at Exhibits HH2, HH3, HH4 and HH5. These are provided to support Ms Havers contention that beer mats and wine coasters are produced not just for beer and wine producers but also for companies more generally. I will not detail these further here, but will discuss them, if necessary, later in my decision.

11) The third witness statement, dated 4 September 2008, is by Justine Rhodes, Head of Business Affairs for Drama, Arts and Features for ITV Productions Limited. Ms Rhodes states that Coronation Street is one of the longest running and one of the most popular British television soap operas and was first broadcast in December 1960. From 1960 to 1996 the pub featured in the programme, the Rovers Return was owned by the fictional NEWTON & RIDLEY brewery, after which time the pub became a free house. Nevertheless, NEWTON & RIDLEY beer has continued to feature prominently in the pub scenes of the programme. At Exhibit JR1, Ms Rhodes provides a series of still photographs, all feature members of the cast standing behind the bar at the Rovers Return and with the NEWTON & RIDLEY beer taps featuring prominently on the bar. These photographs were taken between the 1970s and 2003.

12) Ms Rhodes recounts the fictional history of the NEWTON & RIDLEY brewery and this has been conveyed in the Coronation Street storyline over the years. She also provides information regarding the prominence of the Coronation Street programme in the television schedules. The programme is currently shown five times a week, over three evenings on the ITV network, plus omnibus repeat episodes. Between 1960 and 1989 it was shown twice a week, but increased to three times a week between 1989 and 1996, when the number of episodes increased to four a week. The current five episodes a week have been aired since 2002. Ms Rhodes provides viewing figures at Exhibit JR3. These illustrate the viewing figures for the top rated episode for each year 1962 to 2007. In the five complete years prior to the relevant date, these varied between 12 million and 20 million viewers and have been as high as 24 million (in 1989). Average viewing figures have been provided at Exhibit JR4 illustrating that between 10 and 13.5 million viewers watched each episode of the programme in the five years preceding the relevant date. These figures represent around 50% of the proportion of all network television viewers.

13) At Exhibit JR5, Ms Rhodes presents figures from the Broadcasters' Audience Research Board (BARB). These record that, for the week ending 24 August 2008, the five Coronation Street episodes featured at numbers four, five, six, seven and ten in that week's top seventy programmes. Ms Rhodes also highlights the fact that Coronation Street has won a huge number of awards in recent years. A list of these is provided at Exhibit JR7.

14) Finally, Ms Rhodes exhibits evidence of Coronation Street merchandise sold over the years. These are provided at Exhibit JR8 and include a Coronation Street DVD game, the front cover of which features a beer mat advertising NEWTON & RIDLEY, pint glasses with a NEWTON AND RIDLEY Best Bitter logo, and a teapot in the shape of the Rovers Return and featuring a NEWTON AND RIDLEY Best Bitter sign.

15) The final witness statement, dated 4 September 2008, is by Matthew John Watson, Marketing Research and Insight Manager for ITV PLC. Mr Watson's evidence details a survey, conducted on 12 August 2008, that he compiled to measure the level of recognition of the NEWTON & RIDLEY name. The survey was conducted using ITV's internal access panel. He explains that this panel is independently run for ITV. The panel was recruited online and consists of ten thousand adults and is selected to match the television viewing population in the UK as a whole. The survey measures audience reaction to ITV's programmes. 68% of participants have heard of the name Newton & Ridley, 66% of people know that Newton & Ridley is the brewery featured in Coronation Street.

DECISION

Section 5(4) (a)

16) I will consider the ground under Section 5(4) (a) first. That section reads as follows:

"5.-(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an "earlier right" in relation to the trade mark".

17) The requirements for this ground of opposition have been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *WILD CHILD Trade Mark* [1998] R.P.C. 455. Adapted to opposition proceedings, the three elements that must be present can be summarised as follows:

(1) that the opponents' goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the applicant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicant are goods or services of the opponents; and

(3) that the opponents have suffered or are likely to suffer damage as a result of the erroneous belief engendered by the applicant's misrepresentation.

18) To the above I add the comments of Pumfrey J (as he then was) in the *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* case [2002] RPC 19, in which he said:

"27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by *BALI* [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur."

The material date

19) The relevant date for determining the opponent's claim will be the filing date of the application in suit (*Last Minute Network Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Joined Cases T-114/07 and T-115), that is to say 4 April 2007. The earlier right must have been acquired prior to that date (Article 4.4(b) of First Council Directive 89/104 on which the UK Act is based).

Goodwill

20) I must now consider if ITV had goodwill at the material date. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223 as:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first.”

21) I also note from the relevant case-law that to qualify for protection under the tort, the goodwill must be of more than a trivial nature (*Hart v Relentless Records* [2002] EWHC 1984).

22) It is clear from the evidence that ITV, or at least one of its associated companies, is responsible for the production of the well-known television soap-opera, Coronation Street. I use the term “well-known” intentionally as I have little hesitation in accepting that Coronation Street is so well-known that its existence and popularity is a notorious fact of which I could take judicial notice.

23) However, the sign that ITV claim goodwill in is a fictional brand that features in Coronation Street. I am unable to find much by way of guidance from the English courts in respect of these circumstances, but Christopher Wadlow's “The Law of Passing-Off”, 3rd Edition (“Wadlow”) provides some helpful commentary on the issue. In particular at paragraph 7-114, it is noted that the Australian courts have considered similar issues. In particular, it refers to *Twentieth Century Fox Films v South Australia Brewing* (1996) 34 I.P.R. 225 (Tamberlin J., Federal Court) that found “character merchandising” was not confined to characters as such but can extend to their props, which in the case of “The Simpsons” television series included an imaginary brand of beer.

24) If these findings are applied in the current proceedings, it would lead to the conclusion that use of the sign NEWTON & RIDLEY, in respect of beer, would constitute a form of character merchandising. At this stage, it is useful to

understand what is “character merchandising”. Once again, I refer to Wadlow, paragraph 7-112:

“Character merchandising is the name given to the practice of licensing the name or likeness of a character, generally a fictitious one, for use on or in the promotion of goods or services with which the character has little or no intrinsic connection. The essence of character merchandising is that goods or services can be made more attractive in the market by associating them with an appropriate and popular character”

25) Wadlow goes on to note that in light of the findings of the High Court and Court of Appeal respectively in *Irvine v Talksport* [2002] EWHC 367 and *Elvis Presley Enterprises Inc v Sid Shaw Elvisly Yours* [1999] R.P.C. 567, CA, there is no *sui generis* character merchandising right known in English common law. Liability for passing off therefore depends on the three elements of goodwill, a misrepresentation and damage. This brings me back to the question as to whether ITV enjoys goodwill in the fictional brand NEWTON & RIDLEY.

26) The evidence illustrates that the NEWTON & RIDLEY brand has featured in Coronation Street since 1960 right through to the present time and at times it has featured prominently in the story line. ITV support this view by providing numerous photographs of various cast members standing behind a bar featuring a NEWTON & RIDLEY beer tap, providing a fictional history of the brewery and its beer illustrating the role it has played in the storylines over the years. It also provides the results of a survey of an independent panel it claims is representative of the television watching population in the UK. It found that 66% of people knew that NEWTON & RIDLEY is the brewery in Coronation Street. Whilst this survey was conducted some sixteen months after the material date, in light of the long-running and successful nature of the programme and the ongoing prominence of NEWTON & RIDLEY in the programme, I find that it is broadly indicative of the level of awareness of NEWTON & RIDLEY at the material date.

27) As ITV concede in its evidence, it has not sold NEWTON & RIDLEY beer since 2005, when the Code was introduced. Further ITV have not provided any information as to the scale of sales up to that time. I am therefore unable to conclude that there is a goodwill resulting from the sale of the beer. However, this is not the end of the matter as I must also consider if there is goodwill resulting from the exposure of NEWTON & RIDLEY on Coronation Street itself. I have already found that, at the material date, there was a significant level of awareness of the sign amongst the television watching public that results from a combination of the success of the programme over a period of over forty five years and the prominence of NEWTON & RIDLEY in the programme.

28) As a result of this use, I find that NEWTON & RIDLEY has developed its own “attractive force” in that it is inextricably linked with the highly successful and

well-known Coronation Street television series. I therefore find that ITV enjoys goodwill in the NEWTON & RIDLEY sign in respect of entertainment services, specifically the production of a television series.

Misrepresentation

29) In *Reckitt & Colman v Borden*, Lord Oliver described misrepresentation thus:

“...[the plaintiff] must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff’s identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely upon a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name”

30) I have found that the fictional brand NEWTON & RIDLEY enjoys goodwill in that it has its own “attractive force” resulting from its close association with Coronation Street. This goodwill is in respect of an entertainment service. In this circumstance how will the buyer of a beer see the sign NEWTON & RIDLEY when used in respect of that beer? Could it be seen as being produced under licence from the producer of Coronation Street and if so, would this amount to misrepresentation? Mr Justice Laddie commented on this point in *BBC Worldwide Ltd v Pally Screen Printing Ltd* [1998] F.S.R. 665 (“Teletubbies”):

“It seems to me that it inevitably must be a question of fact whether or not members of the public seeing the T-shirts in issue will be deceived. To succeed on this part of the case the plaintiffs will need to show that they have built up the necessary reputation so that members of the public would look at this type of artwork and consider it to represent the plaintiffs or products made with the plaintiffs’ approval....”

Therefore, a misrepresentation can occur when a consumer understands that a licence is in play.

31) Taking account of the repute of Coronation Street and the prominence of NEWTON & RIDLEY within the programme, a large number of the television watching public are aware of the fictional brand. A significant proportion of this television watching public will also be consumers of beer. As such, their reaction to seeing NEWTON & RIDLEY, being used in respect of beer, will be to make a link with Coronation Street and its producers. This may not be in the sense that they believe that the beer was produced by the makers of the television

programme, but in the sense that the beer has been authorised in some way, by the makers, to use the sign.

32) One counter-argument to this is that the respective parties do not share a common field of activity, with ITV in the business of entertainment and the Newton & Ridley Beer Company apparently in the business of producing and selling beer. However, ITV argue that as the sign is used in respect of beer, albeit fictional, that there is a common field of activity. I do not agree and I have already concluded that ITV's goodwill is in respect of an entertainment service and not beer. As such, the parties are in a different fields of activity. However, this is not determinative as it is established by the courts (see *Lego Sysytems A/S v Lego M Lemelstrich Ltd* [1983] FSR 155 and *Harrods v Harrodian School* [1996] RPC 697) that there is no need for a common field of activity for passing-off to occur.

33) In fact, taking all of the above into account, it is clear to me that where there is no authorisation to use a sign NEWTON & RIDLEY, misrepresentation will exist. Consumers, upon seeing the sign NEWTON & RIDLEY used in respect of beer, will assume that that beer producer has been licensed to use the sign by the maker of Coronation Street.

Damage

34) Once again Wadlow, at paragraphs 4-1 and 4-2, provides a convenient summary of the principle that it is essential that a misrepresentation should be such as to be really likely to cause substantial damage to that property. It says (with footnotes removed):

“...the importance of damage has been confirmed in the modern definitions of passing-off by the House of Lords in both the *Advocaat* and *Jif Lemon* cases. The fourth and fifth of Lord Diplock's heads in [*Erven Warnick BV v J Townend & Sons (Hull) Ltd* [1980] RPC 31, HL (*Advocaat*)] are as follows:

“(4) Which [misrepresentation] is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence) and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a *quia timet* action) will probably do so.”

The importance of damage was emphasised even more clearly by Lord Fraser who said that the claimant must show

“That he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill.”

...

The principle [that passing-off protects the right which a claimant has in his goodwill or business, and that the basis of the action is damage to this right of property] was affirmed by Lord Oliver in [*Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 340, HL].”

35) Wadlow goes on (in paragraph 4-3) to identify two forms of damage that it conveniently calls “destruction” and “diversion”. In the first, goodwill will be damaged when unsatisfactory goods result in customers will no longer rely on the name and may avoid it. The second is where the “attractive force” is to the applicant and not the opponent.

36) ITV put forward a number of submissions in respect of how a misrepresentation will result in damage. Firstly, if the Code retains its restriction on product placement in television programmes, use of NEWTON & RIDLEY by N & R may force ITV to remove the brand from its prominent position in the programme resulting, it argues, in an ultimate total loss of its goodwill. Such “destruction” of its goodwill is something that ITV is likely to suffer if the Code is not amended as it hopes, and in such a circumstance ITV is likely to suffer damage.

37) Secondly, ITV have, in the past, commercially exploited the NEWTON & RIDLEY brand in respect of beer, but it ceased doing so when the Code prevented it. If the Code is amended, as ITV believes it will be, to allow it to recommence commercial exploitation of the NEWTON & RIDLEY brand and if N & R is allowed into the market place, ITV’s benefit from its goodwill will be diverted to N & R to some degree. Further, if N & R’s application proceeds to registration, it will be in a position to deprive ITV of, what would otherwise be, licensing opportunities. To my mind, this identifies that ITV is really likely to suffer from the applicant’s actions in this circumstance.

38) In summary, whether the Code is amended or not, ITV is likely to suffer damage. The nature of this damage may be different depending on the circumstances, but it will be damage, nonetheless. As such, I find that ITV is successful in its opposition based upon Section 5(4) (a) of the Act.

Sections 3(3) (a), 3(4) and 5(2) (a)

39) In light of my findings in respect of the ground based upon Section 5(4) of the Act, ITV can be no better off under these grounds and, as such, I do not intend to consider these further.

COSTS

40) The opposition having been successful, ITV is entitled to a contribution towards its costs. I award costs on the following basis:

Notice of Opposition and statement	£500
Considering statement of case in reply	£200
Preparing and filing evidence	£500
Preparing and attending a hearing	£700
TOTAL	£1900

41) I order Newton & Ridley Beer Company Limited to pay ITV Studios Limited the sum of £1900. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 17th day of November 2009

**Mark Bryant
For the Registrar,
the Comptroller-General**